

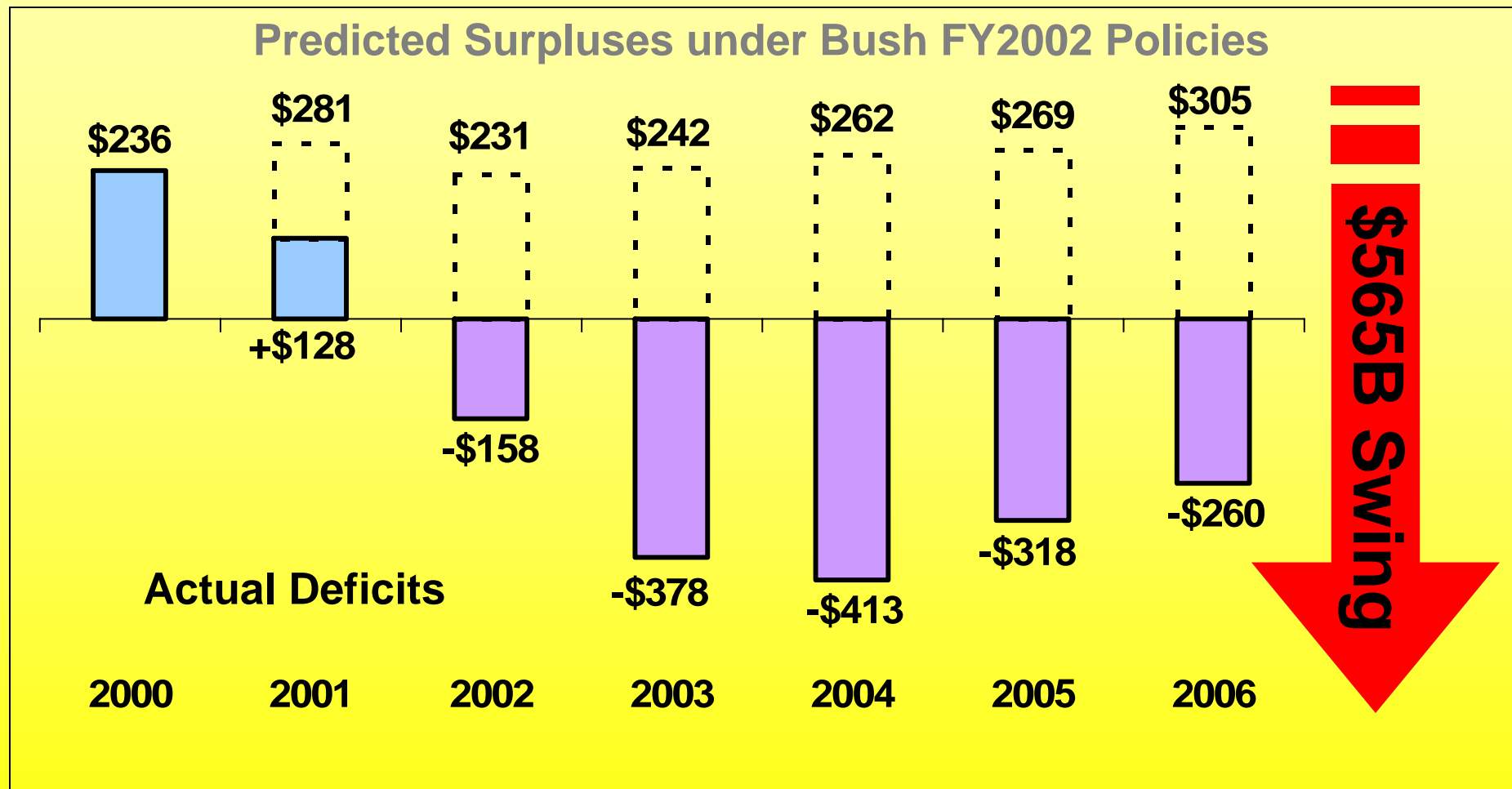
Bush Administration Posts Record Deficits

Largest Deficits in History

<u>Year</u>	<u>Deficit</u>	<u>Rank</u>
2003	-\$378 Billion	2nd
2004	-\$413 Billion	1st
2005	-\$318 Billion	3rd
2006	-\$260 Billion	6th

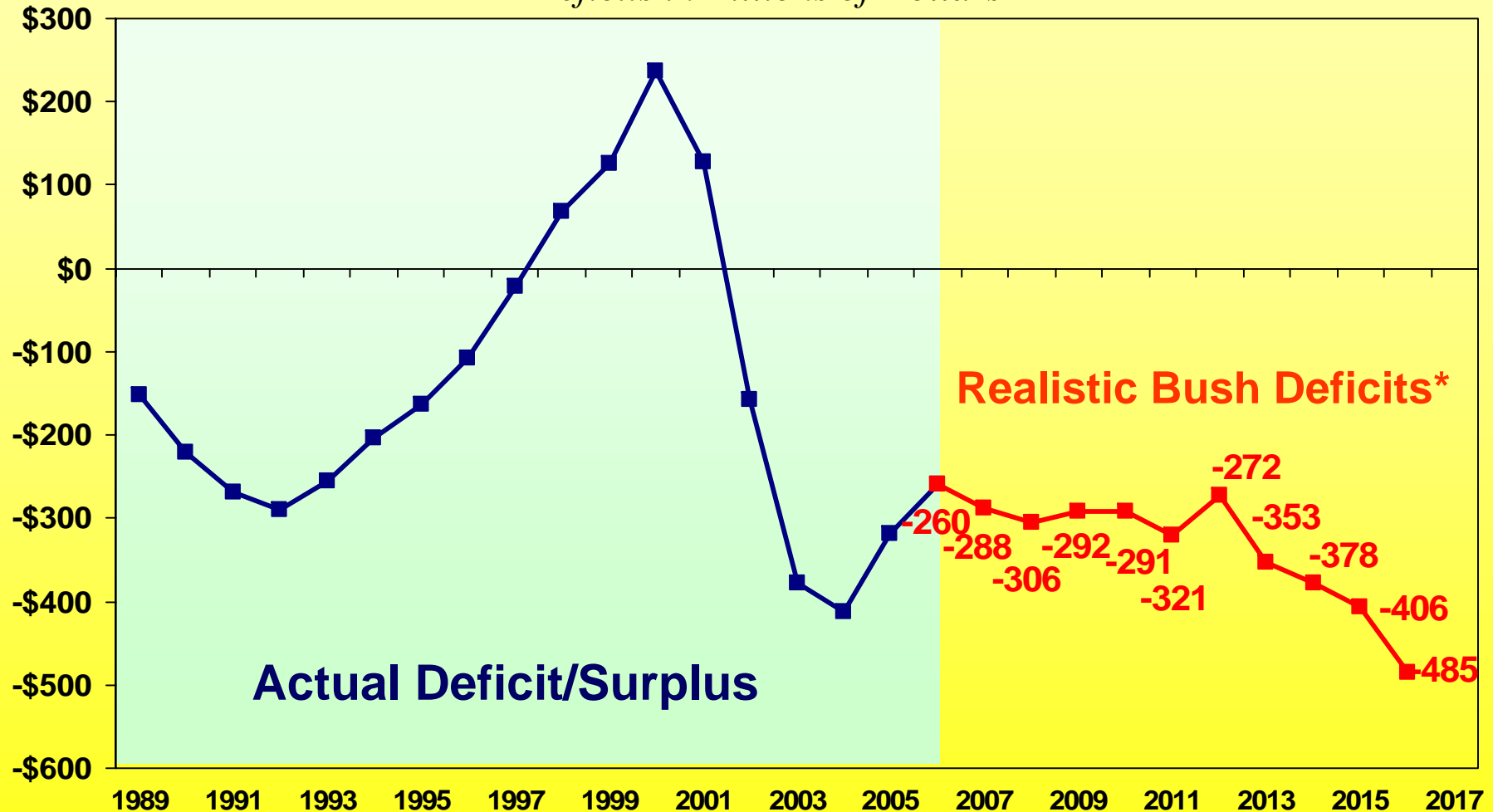
Projected Surpluses Become Huge Deficits

Budget Surpluses and Deficits in Billions



Realistic Bush Deficit Estimates Show Bleak Outlook

Deficits in Billions of Dollars



*10-Year Estimate of Administration's Budget Including Omitted Costs

Republicans Raised the Debt Limit by **\$3.0 Trillion**

Debt Limit Increases, in Billions

June 2002	\$450
May 2003	\$984
November 2004	\$800
March 2006	\$781
Total Increases	\$3,015
Further Increase in FY'07 House Budget Resolution	\$653

Republicans Nearly Double the Debt Limit

Debt Limit When Bush Took Office	\$5.95 Trillion
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Increases	June 2002	\$6.40 Trillion
	May 2003	\$7.38 Trillion
	November 2004	\$8.18 Trillion
	March 2006	\$8.97 Trillion
	FY07 Budget Resolution	\$9.62 Trillion

Debt Limit Under Republicans by 2011	\$11.3 Trillion
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Amount of Foreign-Held Debt More Than Doubles Under Bush Administration

Trillions of Dollars



Annual totals calculated in April of each year

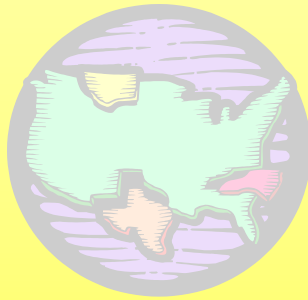
Prepared by the House Budget Committee Democratic Staff

Source: U.S. Treasury International Capital System

7/11/2006

What Else Could We Do with the **\$504 Million** in Interest the Country Pays **Every Day** on Publicly Held Debt?

- Hire 8,930 new airport screeners



- Provide health care to 71,479 more veterans

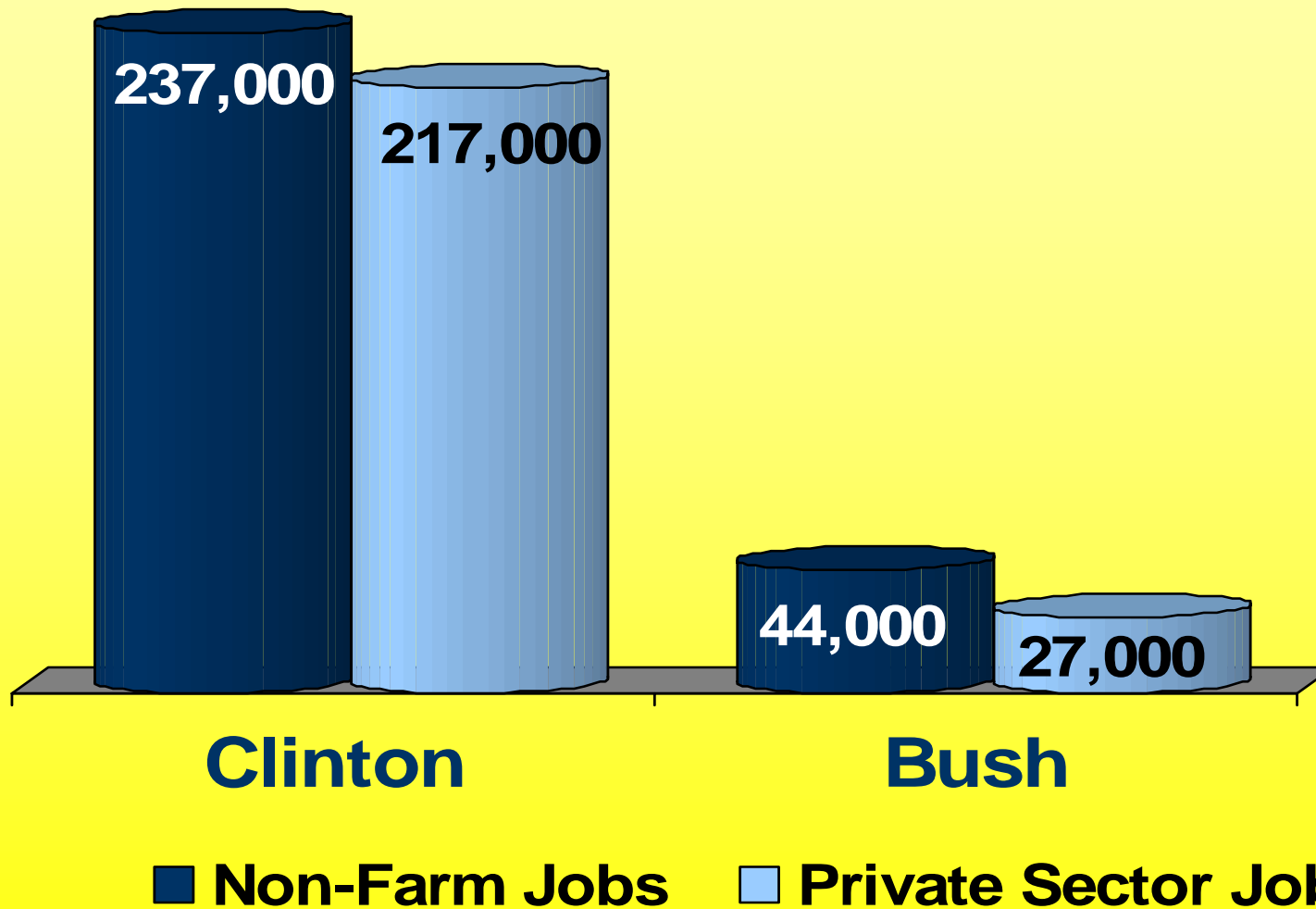


- Give each college freshman \$342 in tuition assistance



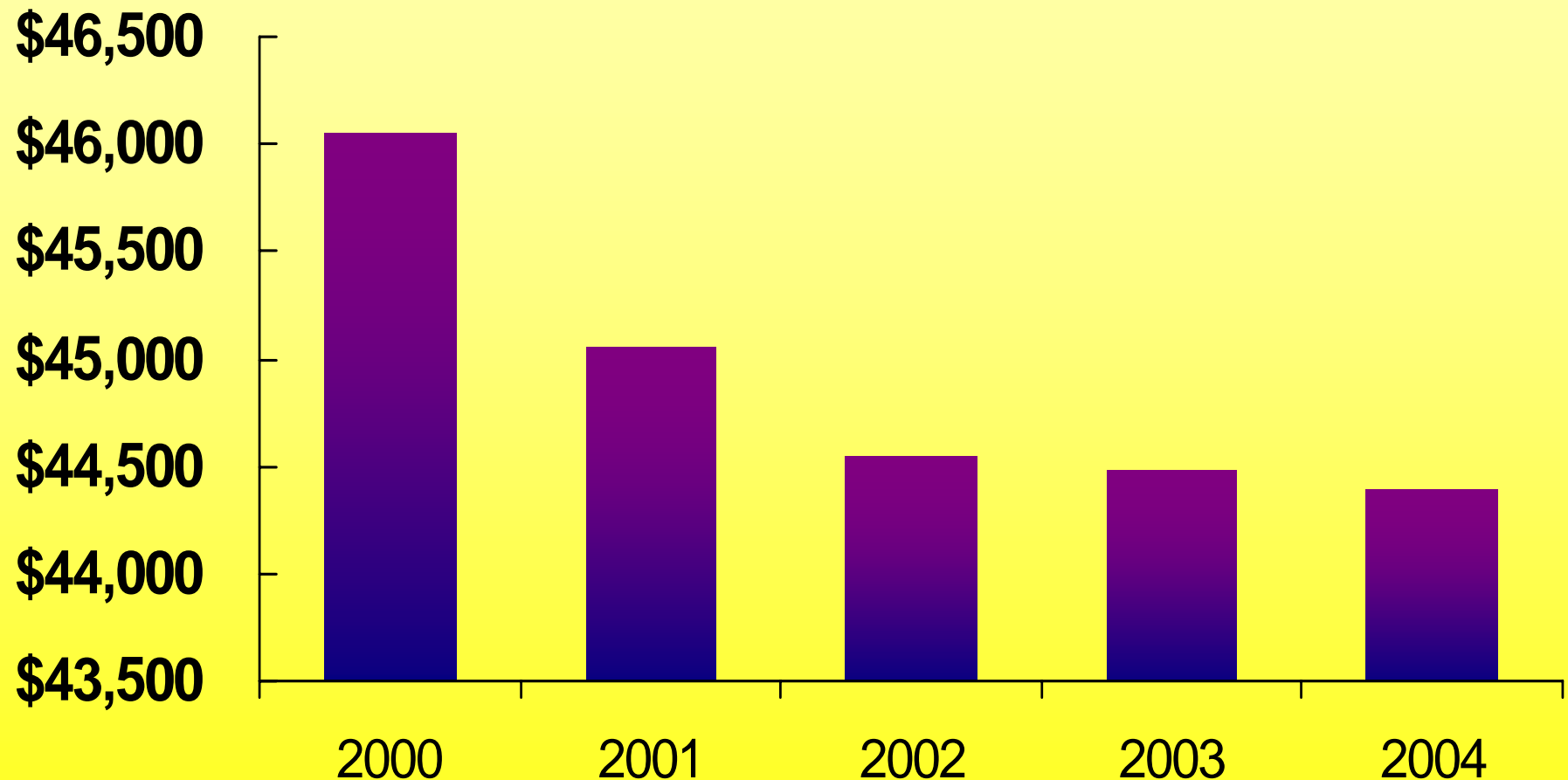
- Improve Social Security solvency by half a billion dollars

Average Monthly Job Gains Under Clinton and Bush Administrations



Typical Family Income Decreases Every Year Under Bush

(Inflation-Adjusted Median Family Income)



CBO Budget and Economic Outlook: August 2006 Update

Billions of Dollars

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	Total <u>2007-2016</u>	Total <u>2007-2011</u>
CBO Baseline Deficits, August 2006	-260	-286	-273	-304	-328	-227	-54	-76	-64	-56	-93	-1761	-1418
Repeating Supplemental	0	-70	-139	-179	-203	-222	-237	-253	-269	-286	-305	-2165	-814
Baseline w/o Repeating Supplemental	-260	-216	-134	-125	-124	-4	183	178	205	230	212	404	-604
The President's Budget													
Tax Policies*		-4	-9	-15	-27	-170	-268	-297	-310	-324	-340	-1764	-226
War Funding **		-55	-71	-23	-7	-2	-1	0	0	0	0	-159	-158
Defense Appropriations Increase		-6	-19	-31	-34	-33	-34	-34	-35	-36	-36	-298	-123
Non-Defense Appropriations Cut		1	11	22	31	43	47	49	51	53	55	362	107
Entitlement Cuts		-1	9	14	13	17	16	20	24	32	40	184	52
Social Security Privatization		0	0	-1	-1	-18	-38	-55	-61	-66	-72	-312	-19
Debt Service	0	-2	-6	-8	-10	-15	-26	-41	-58	-77	-96	-338	-40
Total Changes	0	-67	-85	-42	-35	-178	-303	-358	-388	-417	-450	-2325	-408
Resulting Deficits	-260	-284	-219	-167	-159	-183	-119	-181	-183	-188	-238	-1921	-1012
Omitted Items													
Repair AMT***	0	-4	-65	-60	-71	-82	-95	-108	-123	-139	-155	-901	-282
Ongoing Military Operations***	0	0	-19	-57	-48	-37	-32	-31	-30	-29	-30	-313	-161
Debt Service		0	-2	-7	-13	-19	-26	-33	-42	-51	-62	-256	-42
Total Changes		-5	-86	-125	-132	-138	-153	-172	-194	-219	-247	-1470	-486
Realistic Bush Deficits	-260	-288	-306	-292	-291	-321	-272	-353	-378	-406	-485	-3391	-1498

The President's Budget (per OMB)	-296	-339	-188	-157	-123	-127							-934
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Baseline estimates assume tax cuts expire as written in law and 2006 emergency supplemental funding repeats every year and grows with inflation
negative items make deficits worse

* Includes outlay effects. Amounts reduced by tax cuts enacted in H.R. 4297

** \$110 billion for 2007 and \$50 billion for 2008

*** CBO estimates of policy reduced by amounts included in the President's Budget